

HUMAN SERVICES - DSHS

Program 050

DSHS - Long Term Care

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority	1,123.5	1,117,673	1,225,539	2,343,212
Total Maintenance Level	1,193.2	1,205,294	1,267,975	2,473,269
Difference	69.7	87,621	42,436	130,057
Percent Change from Current Biennium	6.2%	7.8%	3.5%	5.6%
Performance Changes				
Homecare Worker Wages		18,104	17,546	35,650
Nursing Home Rates		(26,683)	(26,682)	(53,365)
Nonrepresented Agency Providers COLA		4,300	4,305	8,605
Personal Care Eligibility		(11,034)	(10,696)	(21,730)
Lease, Medical Inflation, and Equipment Reduction		(111)	(106)	(217)
Targeted Vendor Rate Increase		5,686	5,565	11,251
Long Term Care Financing Task Force #			291	291
Middle Management Reduction	(12.1)	(866)	(463)	(1,329)
Estate Recovery		(4,600)	(4,600)	(9,200)
General Inflation		(180)	(218)	(398)
FTE Staff Adjustment	(5.5)			
Respite Compensation Increase		352		352
Chemical Dependency Treatment Expansion		(4,357)	(4,357)	(8,714)
Subtotal	(17.6)	(19,389)	(19,415)	(38,804)
Total Proposed Budget	1,175.6	1,185,905	1,248,560	2,434,465
Difference	52.2	68,232	23,021	91,253
Percent Change from Current Biennium	4.6%	6.1%	1.9%	3.9%
Total Proposed Budget by Activity				
LTC Adult Day Health Community Services		15,370	14,249	29,619
LTC Adult Family Home Community Services		59,590	58,717	118,307
LTC Care Administration	137.1	16,524	16,280	32,804
LTC Eligibility/Case Management Services	681.9	75,207	74,782	149,989
LTC In-Home Services		438,955	475,488	914,443
LTC Investigations/Quality Assurance	368.7	15,681	51,747	67,428
LTC Residential Community Services		84,357	81,845	166,202
Nursing Home Services		471,196	466,617	937,813
Program For All-Inclusive Care for the Elderly		7,213	7,208	14,421
Compensation Cost Adjustment		2,678	2,090	4,768
Middle Management Reduction	(12.1)	(866)	(463)	(1,329)
Total Proposed Budget	1,175.6	1,185,905	1,248,560	2,434,465

PERFORMANCE LEVEL CHANGE DESCRIPTIONS**Homecare Worker Wages**

According to state law, representatives of individual providers who provide home care services to disabled clients must negotiate with the Office of Financial Management for wage and benefit considerations. If an agreement is reached by October 1, the Governor must include costs to implement the terms of the agreement in the Governor's budget. This year, the negotiation process went into interest arbitration. Funding is requested based on the interest arbitration award. Funding is provided for the Office of Financial Management, Home Care Quality Authority, and the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

Nursing Home Rates

This item limits growth in the statewide average nursing home daily rate by setting the rate at \$145.15 for both fiscal years of the 2005-07 Biennium. Current statewide averages are below this level. Rates paid to nursing home facilities will not be reduced as long as the statewide average remains below the legislated level set by this item. (General Fund-State, General Fund-Federal)

Nonrepresented Agency Providers COLA

Funding is provided for a wage and related benefit increase to workers that provide personal care services in Aging and Disability Services Administration programs and are employed by private agencies. The increase corresponds to the salary and wage component of the Home Worker Contract for individual providers based on the interest arbitration award. This item affects several activities in the Aging and Disability Services Administration, including the Division of Developmental Disabilities. (General Fund-State, General Fund-Federal)

Personal Care Eligibility

Eligibility requirements for personal care services are tightened. Currently, clients who require minimum assistance with three of seven activities of daily living (ADLs) are eligible for personal care services. Eligibility standards for nursing home services, and within the Community Options Program Entry System (COPES) waiver, will be tightened to require that clients have a substantial need in one of the seven ADLs. Medicaid Personal Care (MPC) eligibility will require minimum assistance in four of the seven ADLs. (General Fund-State, General Fund-Federal)

Lease, Medical Inflation, and Equipment Reduction

Funding for leases, medical inflation, and equipment is reduced. (General Fund-State, General Fund-Federal)

Targeted Vendor Rate Increase

Funding is provided for a targeted vendor rate increase. The increase is driven by targeted base vendor payments, which represent services by vendors the Office of Financial Management identified as most in need of rate adjustments. The funded level represents a 1.5 percent increase for Fiscal Year 2006 and 2.0 percent for Fiscal Year 2007, and is based on annual inflation estimates. (General Fund-State, General Fund-Federal)

Middle Management Reduction

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount.

Estate Recovery

The capacity of the Office of Financial Recoveries to collect revenue from the estates of Medicaid-eligible clients is expanded. Resources are provided to initiate probate proceedings, for improved notification of a client's death, and the ability to place Tax Equity and Fiscal Responsibility Act (TEFRA) liens on the property of clients whose condition is such that discharge is not possible. This item results in a net savings for both the state and federal general funds. (General Fund-State, General Fund-Federal)

FTE Staff Adjustment

The Department of Social and Health Services will centralize its background check FTE staff into the Background Checks Central Unit.

Respite Compensation Increase

An adjustment is made to Respite Care Services (RCS) program funding to correct a failure to increase funding proportionate to two years of increases to home care agency rates. This adjustment treats RCS the same as other affected programs where additional funding was provided to offset rate increases. (General Fund-State, General Fund-Federal)

Chemical Dependency Treatment Expansion

Alcohol and drug treatment service levels are increased for adults with co-occurring, but chemically dependent-related problems. The recipients of these services often require emergency services from other programs in the Department of Social and Health Services such as medical, mental health, and long-term care. The expansion of the program will be phased in over the biennium, with the goal to reach 40 percent penetration by the end of Fiscal Year 2006 and 60 percent penetration of potential clients by the end of Fiscal Year 2007. Savings are represented in the budgets for Medical Assistance, Long Term Care, and Mental Health. (General Fund-State, General Fund-Federal)

ACTIVITY DESCRIPTIONS

LTC Adult Day Health Community Services

Adult Day Health services include rehabilitative therapies to help participants become more self-sufficient, and counseling and support to families caring for a mentally, physically, socially, and/or emotionally impaired family member. Services are intended to delay or prevent entrance, or reduce the length of a stay in 24-hour care settings. Clients meet Medicaid-eligible criteria and have a skilled nursing or rehabilitation need, as determined by a doctor. Quarterly, case managers review eligibility and ongoing need for services, which are provided by contract with local providers or through Area Agencies on Aging (AAAs) that subcontract with local providers. Approximately 2,000 clients receive Adult Day Health services each year.

LTC Adult Family Home Community Services

A broad range of Aging and Disability Services Administration (ADSA) clientele is served in adult family homes (AFH), private homes that may serve up to six residents. Some AFHs serve primarily higher functioning residents, while other homes specialize in serving individuals with dementia, developmental disabilities, or mental illnesses. AFHs whose provider is a professional nurse will frequently provide limited nursing care for individuals with more complex nursing and medical needs. AFHs may also serve vulnerable adults, as defined in Chapter 74.34 RCW, who are receiving state-provided adult protective services. Clients residing in adult family homes meet the financial and functional eligibility criteria for either the MPC (Medicaid Personal Care) program or the COPEs (Community Options Program Entry System) program. ADSA contracts for care for approximately 3,400 clients each year who receive room, board, laundry, necessary supervision, and assistance with activities of daily living, personal care, and social services.

LTC Care Administration

Administrative staff develop specific services and agency policy for both Area Agencies on Aging (AAAs) and Aging and Disability Services Administration (ADSA) field staff. Other administrative staff provide technical assistance such as accounting and budget, contract management, and computer support for the administration. Forecast and data analysis and the determination and publication of rates for nursing homes, adult family homes, and boarding homes are also provided. Staff process and manage payments for vendors and employees, and collect and report program data to both internal and external customers. Staff perform fiscal and administrative monitoring and evaluation of programs and general administrative functions for other activities.

LTC Eligibility/Case Management Services

The Aging and Disability Services Administration (ADSA) Home and Community Services (HCS) Division determines client eligibility for all long-term care programs, and provides information and referral services, nursing home and community residential placement, and ongoing case management for clients served in community residential settings. Case management consists of assessing and reassessing eligibility, updating and monitoring a plan of care, coordinating non-department services in response to a client's need, responding to emergencies and status changes, and providing any additional assistance a client may need to remain in his/her home.

To be eligible for ADSA programs, an individual must meet both functional and financial eligibility requirements. A comprehensive assessment determines functional eligibility for each client and identifies the need for either the number of hours for in-home care, or the residential level of care. Financial eligibility is based on an individual's income level and resources, and is determined at each local HCS office by a financial services specialist. Case management is available to all long-term care clients, with services designed to prevent premature institutionalization and decrease barriers that may prevent a client from maintaining their present place of residence, or moving to a less restrictive environment. All clients with an initial referral for service receive a face-to-face visit by an HCS case manager. If the client is eligible for a residential placement, case management remains with the HCS case manager. If the HCS case manager determines the individual is eligible for in-home services, the client is transferred to a case manager at the Area Agency on Aging (AAA), who is then responsible for managing all aspects of the case.

LTC In-Home Services

The Aging and Disability Services Administration (ADSA) contracts for care in a client's home with agency or individual providers to enable individuals to remain at home. Clients receive assistance with activities of daily living such as personal hygiene, toileting, bathing, dressing, cooking, and eating. They also receive assistance from the provider for completing household tasks such as shopping, laundry, and housework. Additional services may include assistance with medications or transportation to medical appointments, home-delivered meals, adult day care, environment modifications, special medical equipment, and skilled nursing care. Over 25,000 clients receive in-home services each year.

Private Duty Nursing Services provide nursing care to approximately 75 Medicaid clients over age 18 who otherwise would be institutionalized. To be eligible, the client must require at least four hours per day of continuous skilled nursing care.

The Elderly Nutrition Program supplements the Older Americans Act nutrition program with U. S. Department of Agriculture case payments in lieu of commodities. Senior Farmers' Market Nutrition is a federal grant to provide resources in the form of fresh, nutritious, unprepared fruits and vegetables to low-income senior citizens. The grants provide low-income senior citizens with coupons they may use to exchange for eligible food at farmers' markets, roadside stands, and community supported agriculture.

LTC Investigations/Quality Assurance

The Aging and Disability Services Administration (ADSA) verifies and ensures that licensed facilities, staff, and others who come in contact with vulnerable adults are providing appropriate services and quality care. The administration accomplishes this through surveying and certifying nursing homes, licensing adult family homes and boarding homes, and monitoring the quality of service provided in facilities where out-of-home placements are made. Staff investigate over 8,000 nursing home, adult family home, and boarding home complaints each year. Staff engage in a process of quality assurance and review all case management work to ensure that individuals receive the services they require to remain in their own home, or other community-based settings. Payment authorizations are examined to ensure compliance with federal and state laws, and to identify incorrect client eligibility determination and payment errors. Contract oversight and monitoring of home care agencies and other providers of services to in-home clients are provided through the Area Agencies on Aging.

LTC Residential Community Services

The Aging and Disability Services Administration (ADSA) contracts with licensed boarding homes for Adult Residential Care (ARC), Enhanced Adult Residential Care (EARC), and Assisted Living services. Approximately 1,400 ARC and EARC clients each year receive room and board and assistance with medications and personal care. Residents may receive limited nursing services, limited supervision, and a limited number of clients may receive specialized dementia care, as provided by contracted facilities. Clients living in ARC facilities meet the functional eligibility criteria for either the MPC (Medicaid Personal Care) program or the COPES (Community Options Program Entry System) program. ARCs work with clients who have mental illnesses, and vulnerable adults as defined in Chapter 74.34 RCW who are receiving state-provided adult protective services. EARC facilities provide clients who are receiving services from the COPES program limited nursing services, in addition to assistance with personal care tasks and supervision. Assisted Living services are provided each year to approximately 5,000 clients who have private apartments with a private bathroom. Services are available 24 hours a day and include assistance with activities of daily living, limited nursing and supervision, and housekeeping. Clients living in assisted living facilities meet the financial and functional eligibility for the COPES program. These facilities generally do not admit or retain individuals with more complex nursing/medical needs, or individuals with significant care needs related to dementia or difficult to manage behavior.

Nursing Home Services

The Department of Social and Health Services provides nursing facility health care to Medicaid-eligible persons who need post-hospital recuperative care, require nursing services, or have chronic disabilities necessitating long-term habilitation and/or medical services. Nursing homes provide 24-hour supervised nursing care, personal care, therapy, and supervised nutrition. The program also gives cash assistance to persons leaving nursing homes to help re-establish them in independent living.

Program For All-Inclusive Care for the Elderly

The Aging and Disability Services Administration (ADSA) contracts with a vendor to provide PACE (Program for All-Inclusive Care for the Elderly) services in King County. The goal of the PACE model is to help clients remain in the community for as long as possible, and the program achieves this by providing comprehensive health and social services that are tailored to meet the unique needs of each client. PACE serves individuals, age 55 and over, who are eligible for nursing facility level of care. Most clients have chronic diagnoses and require close medical and medication monitoring. In addition, all PACE clients require assistance with at least two activities of daily living. Clients may be served in their own homes, in adult family homes, or in nursing facilities as needed. The PACE provider receives a single monthly rate for all enrollees, which is based on the total of all Medicaid expenditures, both acute and long-term care costs. PACE is a voluntary program, however, once a client enrolls, the vendor who operates the PACE program assumes all financial responsibility for all of the medical expenses associated with meeting a client's needs. This financial responsibility continues for the entire length of time that a client remains enrolled, which for the majority of clients is the remainder of their lives. This all-inclusive setting offers a comprehensive array of services such as access to physicians without appointments, and has shown a decreased occurrence of miscommunication between providers.

Compensation Cost Adjustment

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.

Middle Management Reduction

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount. These savings will be assigned to the appropriate activities after the budget is enacted.